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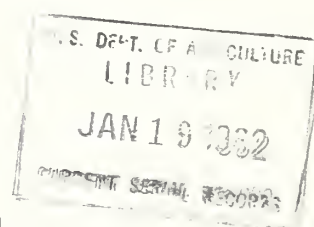
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# **IMPROVING INCOMES OF FARM PEOPLE IN NORTHERN AND WESTERN FLORIDA**



**Economic Research Service  
U.S. DEPARTMENT OF AGRICULTURE  
in cooperation with  
Florida Agricultural Experiment Station**



## CONTENTS

	<u>Page</u>
SUMMARY AND CONCLUSIONS -----	5
INTRODUCTION-----	6
Method of Study -----	6
Description of the Area -----	7
PRESENT RESOURCE SITUATION-----	8
People -----	8
Land -----	12
Land Values -----	18
Capital and Capital Goods -----	21
ALTERNATIVE OPPORTUNITIES IN USE OF RESOURCES-----	22
Labor -----	22
Land -----	24
Capital -----	26
Community Problems -----	26
LITERATURE CITED -----	27



## IMPROVING INCOMES OF FARM PEOPLE IN NORTHERN AND WESTERN FLORIDA

By

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### SUMMARY AND CONCLUSIONS

Income from farming is low in northern and western Florida. Farmers in this area contribute less than a tenth to total income. Personal income from Government payments exceeds any other single source of income in northern and western Florida. This is due partly to location within the area of several State colleges and universities, the State capital, and several large military installations that hire civilian employees.

The population of the 20 counties in the area increased about 30 percent between 1950 and 1960, with changes varying by county from a decrease of 23 percent to an increase of 122 percent. All except two of the Florida counties that lost in population are in this area.

In 1954, about one-sixth of the total population in the study area lived on farms. Of this group, about 40 percent were on low-income farms. Part-time or residential farmers with low incomes made up another 47 percent. The rest were on farms with product sales of \$5,000 or more.

While the aggregate resources (labor, land, and capital) used by low-income people are large, they constitute a rather small part of the total resources of the area. The proportion varies greatly from county to county and from community to community.

Solution of the low-income problem through agricultural development does not look promising. Nonfarm employment for willing, employable persons seems a more feasible solution. For those who are too young to enter the labor force, this program could be expedited by better education including some technical training, and by sound counseling. For those who are too old to make the shift, only limited self help can be expected. Public assistance may be needed for these people.

Local communities will need to provide employment opportunities if they expect to keep people from moving elsewhere for jobs. One way of doing this might be to establish housing developments that would attract retirement families into the area. These people come with money to spend and without need for jobs to maintain their incomes.

In adjustment of both land and human resources, development of recreational opportunities seems to hold promise. This is a job for Federal and State agencies and local communities working together for the benefit of both present and future generations. It is also one for which long-range vision is imperative.

Chronic low incomes in agriculture are recognized as one of the Nation's major economic problems. They bear upon the performance of the Nation's whole economy and reflect upon its capacity as a leader in human progress. In recent years, the Department of Agriculture in cooperation with other Federal Departments and States has begun a concerted effort through the Rural Areas Development Program to improve the economic situation of low-income areas. An important part of this effort has been increased research into the causes of the problem and the requirements for its solution. Although this publication reports on research in only a part of one State, it deals with problems that are common to many other low-income areas.

## INTRODUCTION

The plight of low-income people who live in rural areas has been a subject of considerable interest in recent years. To help alleviate the problem, rural-area development and other economic programs contributing to the development and fuller utilization of resources in low-income areas are being initiated by governmental and civic organizations in many parts of the country. To provide guides to these programs, numerous research studies have been undertaken.

Behind these studies is a twofold problem. The first centers on what the low-income individual or family can do within the present economic environment to break the low-income succession. The second, which overlaps the first, centers on how to improve the larger economic environment within which individuals and families attempt to solve their problems.

This report is directed mainly to the second aspect of this problem as applied to northern and western Florida. It is designed to show the nature of the low-income farm problem and to indicate how resources in the areas can be used to advantage in its solution.

Although the study deals specifically with northern and western Florida, the area is similar in many ways to much of the rest of the Southeast. Hence, the major findings of this report, as well as the methods of study used, may be applicable to other low-income areas.

### Method of Study

This study makes use of census and other secondary data. It is based mainly, however, on data developed in a research project entitled "An Appraisal of the Economic Characteristics and Problems of Low Income Rural Areas of North and West Florida" undertaken by the Department of Agricultural Economics, Florida Agricultural Experiment Station, in cooperation with the Farm Economics Division, Economic Research Service (formerly the Farm Economics Research Division, Agricultural Research Service), U. S. Department of Agriculture (2, 5).

In this project, delineation was made of the open-country portions of 20 counties in State economic areas I and III. (See "Description of Area" below). Five gulf coast counties (Bay, Gulf, Franklin, Liberty, and Wakulla) lying in these areas were excluded because of the small numbers of farms and of rural residents they contain. Also excluded within the 20 counties were: Incorporated towns, cities and villages, other closely settled or built-up places, national and State forests and purchase units, military reservations, gulf coast fringe and beach zones, and large swamp areas showing evidence of few inhabitants (fig. 1).

The remaining area was divided into small segments from which sample segments were drawn on a probability sample basis. Personal interviews were made at each household in the sample segment to obtain data on sources and amount of family income, population characteristics, land use, farm assets, net worth, level of living, and other information. Usable schedules on all of these items were obtained from 730 households. Unless otherwise indicated, the data used in this report were obtained from this field survey.

### Description of the Area

State economic areas I and III, in which the 20 study counties lie, encompass 25 of Florida's 67 counties, make up slightly less than a third of the total land area of the State, and contain approximately 18 percent of the State's population. Total population in the area has increased steadily since 1930, although less rapidly than for the State as a whole.

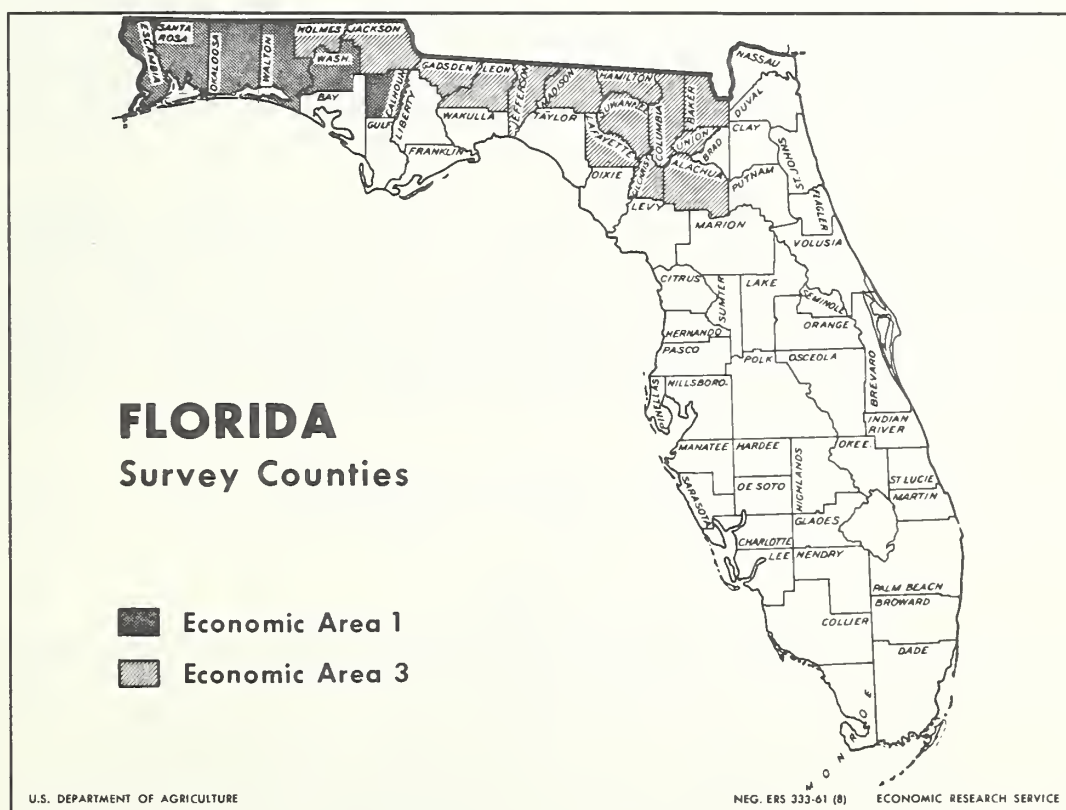


Figure 1

The study area was classified as a "serious low income and level of living area" in a 1955 report prepared for the Secretary of Agriculture (8). The agriculture of this area has not prospered for several reasons. It is a forest area in which the cost of clearing land for crops has always been high, resulting in low cropland per family farm. For the most part, the soils are light and their inherent productivity is low. The drainage varies from overdrained to very little drainage. If the sporadic attempts at agriculture during the Spanish period are overlooked, this is the oldest agricultural area in the State. More favored areas have gradually taken over such crops as cotton and sugarcane until only a limited acreage of tobacco remains as an economically important crop. Low incomes over a long period and the resultant migration of the young and able have left the area with a large number of aged and occupationally handicapped people.

The residual farm income to operator and family labor in this area averaged less than \$1,000 in 1949, compared with over \$5,000 in central and southern Florida. Farm operator level-of-living indexes for 1954 reveal similar substantial differences; they place farm families in this area in the lowest one-fifth in the Nation. However, this designation was made on the basis of the plight of farm families and persons living in rural households and not necessarily on the basis of all families living in the area.

In the 20-county area shown in table 1, agriculture is far from the major source of income. The most important source consists of Government payments to civilians. In 1958, these payments amounted to about \$180 million, which exceeded the total income receipts from agriculture, construction, mining and fisheries, transportation, communication, and utilities combined. Government payments were also nearly twice as great as the income payments of manufacturing in the area. These large Government contributions to civilian incomes are due largely to the presence of the State capital, the University of Florida, and several other State institutions, and to a number of Armed Service installations that hire civilian employees.

Although agriculture contributes less than 10 percent of the total income of the 20-county area as a whole, it is nevertheless important in some parts of the area. In 8 of the 20 counties, agriculture contributes more than a third of the total income, and in 2 counties, it contributes more than half. It is in these areas, in which agriculture is vital to the local economy and income from farming is generally low, that some of the most pressing problems of adjustment are found.

## PRESENT RESOURCE SITUATION

### People

On April 1, 1950, there were 477,900 persons living in the 20 counties included in the field study. By 1960, the population had risen to 621,714. This was an increase of 30 percent. However, table 2 shows a wide variation from county to county in the change in population. The range is from a drop of 23 percent in Holmes County to an increase of 122 percent in Okaloosa County. The increases did not take place in farming areas. Alachua, Escambia, Leon, and Okaloosa Counties accounted for 93 percent of the total increase in population in the 20-county area. In three of

Table 1. — Income of civilians derived from major industrial sources in 20 counties, western and northern Florida, 1958

County	Agriculture	Manufacturing	Construction	Mining and fisheries	Transportation, communication, and utilities	Finance, real estate, and insurance	Retail and wholesale trade	Service trades and professions	Government	Other private industry	Total
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Alachua-----	5,379	8,831	7,145	321	4,094	3,773	14,049	10,115	26,411	160	80,278
Baker-----	1,424	760	648	---	340	106	494	239	1,206	95	5,312
Calhoun-----	1,247	602	122	---	59	152	607	308	1,087	29	4,213
Columbia-----	3,157	2,235	706	---	1,019	686	3,294	2,862	5,607	39	19,605
Escambia-----	1,745	58,681	18,760	655	13,089	9,598	40,793	21,378	53,227	218	218,144
Gadsden-----	11,574	3,602	2,261	383	728	882	5,902	5,020	7,166	805	38,323
Gilchrist-----	1,452	91	50	---	69	50	341	126	550	22	2,751
Hamilton-----	1,725	790	241	---	72	77	513	585	1,063	67	5,133
Holmes-----	2,467	416	196	---	178	398	722	343	1,353	49	6,122
Jackson-----	6,993	2,208	1,288	1/	1,901	859	5,091	6,532	5,674	123	30,669
Jefferson-----	2,806	381	403	---	475	201	813	676	1,274	166	7,195
Lafayette-----	1,270	119	124	---	20	27	141	144	571	22	2,438
Leon-----	1,709	6,360	10,632	95	3,038	5,696	18,321	12,341	36,642	94	94,928
Madison-----	3,428	1,810	366	---	437	224	1,343	773	1,739	51	10,171
Okaloosa-----	1,316	1,180	3,086	91	1,634	1,135	6,898	6,490	23,509	45	45,384
Santa Rosa---	2,046	4,167	3,473	---	394	582	2,008	1,164	4,862	75	18,771
Suwannee-----	5,323	813	644	210	1,205	378	1,933	1,079	2,340	84	14,009
Union-----	1,523	184	49	---	53	46	208	212	1,230	28	3,533
Walton-----	1,463	384	960	64	695	329	2,285	923	1,984	54	9,141
Washington---	1,190	628	1,379	29	504	102	854	569	2,007	36	7,298
Total----	59,237	94,242	52,533	1,848	30,004	25,301	106,610	71,879	179,502	2,262	623,418

1/ Less than \$1,000.

Adapted from Kilpatrick (3).

Table 2. - Population of selected counties, Florida, 1950 and 1960, and percentage change, 1950 to 1960

County	1950	1960	Percentage change
	<u>Number</u>	<u>Number</u>	<u>Percent</u>
Alachua -----	57,000	74,047	29.9
Baker-----	6,300	7,363	16.8
Calhoun-----	7,900	7,422	-6.1
Columbia-----	18,200	20,077	10.3
Escambia -----	112,700	173,829	54.2
Gadsden-----	36,500	41,989	15.0
Gilchrist-----	3,500	2,868	-18.1
Hamilton-----	9,000	7,705	-14.4
Holmes -----	14,000	10,844	-22.6
Jackson-----	34,600	36,208	4.6
Jefferson-----	10,400	9,543	-8.3
Lafayette-----	3,400	2,889	-15.1
Leon-----	51,600	74,225	43.8
Madison-----	14,200	14,154	---
Okaloosa-----	27,500	61,175	122.4
Santa Rosa -----	18,600	29,547	58.8
Suwannee-----	17,000	14,961	-12.0
Union-----	8,900	6,043	-12.2
Walton-----	14,700	15,576	5.9
Washington-----	11,900	11,249	-5.5
Total-----	477,900	621,714	30.0
Florida -----	2,771,300	4,951,560	78.7

#### Census of Population (7).

these counties—Alachua, Leon, and Okaloosa—Government payments constitute the principal source of personal incomes. The University of Florida is in Alachua, the State capital is in Leon, and Elgin Air Force Base is in Okaloosa County. The industrial development of Pensacola in Escambia County accounted for the increased population of that county. On the other hand, all except two of the Florida counties that decreased in population from 1950 to 1960 are in this 20-county area. There were nine such counties in the study area and seven of them are predominantly agricultural counties in which the main source of income is farming.

In 1954, around 84,000 people, or one-sixth of the total population of this 20-county area lived on farms. This farm population was divided nearly equally between persons living on commercial farms and persons living on part-time and residential farms (table 3). Nearly 11,000 of those on commercial farms were in

Table 3. - Estimated farm population of commercial and other farms, 20 northern and western counties, Florida, 1954

County	Total farm popula- tion	Commercial farm population			Other farm population		
		Total	Economic classes, I, II, III	Economic classes, IV, V, VI	Total	Part- time	Resi- dential
	Number	Number	Number	Number	Number	Number	Number
Alachua-----	6,261	2,937	1,104	1,833	3,324	1,523	1,801
Baker-----	1,497	670	80	590	827	340	487
Calhoun-----	2,433	1,113	162	951	1,320	699	621
Columbia----	3,962	2,700	514	2,186	1,262	731	531
Escambia ---	5,174	1,374	404	970	3,800	1,000	2,800
Gadsden-----	4,183	1,983	923	1,060	2,200	788	1,412
Gilchrist ----	1,394	1,060	243	817	334	227	107
Hamilton ----	3,101	2,500	1,034	1,466	601	320	281
Holmes -----	5,814	3,011	386	2,625	2,803	1,066	1,737
Jackson -----	12,152	6,788	965	5,823	5,364	2,221	3,143
Jefferson----	3,523	1,616	370	1,246	1,907	766	1,141
Lafayette----	1,857	1,555	709	846	302	103	199
Leon-----	3,563	1,236	182	1,054	2,327	620	1,707
Madison-----	4,226	3,325	781	2,544	901	440	461
Okaloosa ----	3,176	746	144	602	2,430	681	1,749
Santa Rosa --	4,768	2,123	595	1,528	2,645	1,111	1,534
Suwannee----	6,806	5,562	1,836	3,726	1,244	630	614
Union-----	1,418	665	120	545	753	300	453
Walton-----	4,815	1,794	194	1,600	3,021	981	2,040
Washington --	3,740	1,293	91	1,202	2,447	1,032	1,415
Total----	83,863	44,051	10,837	33,214	39,812	15,579	24,233

Based on the Census of Agriculture (6, 1954), and Census Population (7, 1950).

Census economic classes I, II, and III—farms with product sales of \$25,000 and over, \$10,000 to \$24,999, and \$5,000 to \$9,999, respectively. More than 30,000, or about 40 percent, of the farm population lived on commercial farms falling in Census economic classes IV, V, and VI (low-income classes)—farms with farm product sales of \$2,500 to \$4,999, \$1,200, to \$2,499, and \$250 to \$1,199, respectively. Most of these farms fall into low-income groups in which economic adjustments might be needed. Close to 40,000 more (47 percent of the farm population) lived on part-time and residential farm units on which farming is a minor source of money income. In 1956, both the part-time and residential farmers interviewed in the field survey had negative incomes from their farm operations. For many families, farming of this kind is a transitional stage.

The relative importance of these kinds and sizes of farms varied greatly from county to county. In Washington County, for example, 93 percent of the people living on commercial farms were on farms in economic classes IV, V, and VI. Furthermore, 65 percent of all people living on farms in the county were on part-time and residential farms. Most of these persons or families had low incomes from farming and many had low total incomes. Together, these groups constitute a very serious problem of human-resource adjustment within a limited area. In Lafayette County, however, only a little more than half of the people on commercial farms were on low-production farms, and only 16 percent of all people on farms were on part-time and residential farms.

In terms of number of persons involved, five counties—Jackson, Suwannee, Holmes, Madison, and Columbia—had more than half the total number of people living on low-production commercial farms in the 20-county area. Together, they had 17,000 of the 33,000 persons. These five counties also had 29 percent of the total part-time and residential farm population.

The problem of human-resource adjustment is partly a problem of rehabilitating family groups rather than individuals. The 20-county area had 8,536 commercial farms in economic classes IV to VI, and 9,841 units classified as part-time and residential farms. It seems, therefore, that at least 9,000 to 10,000 farm family units of the 21,231 farm family units in the area will require major adjustments if the problem of low incomes is to be solved.

From the standpoint of making farm and occupational adjustments, age is important. Table 4 shows the number of persons living on farms in the 20-county area in 1954 by three age groups: Those under 20, those between 20 and 49, and those 50 or more. These age groups present different problems of adjustment. Few persons under 20 have as yet entered the labor force. It is with this group that the low-income succession can be most easily broken. Because of the general attitude of employers and the fixed habit patterns and various disabilities of individuals, most persons over 50 are not likely to be able to make adjustments that will substantially increase their incomes. For many at this age level, public assistance may be the only opportunity to better their level of living.

### Land

Land is the most immobile of all agricultural resources. The total land area of the 20-county study area is 8,524,160 acres, a fourth of the total for Florida. According to the census of agriculture, more than half (55 percent) of this land was not in farms in 1954. It is a huge reservoir of water areas, public land, forest land (both public and private), mineral land, wasteland, and urban land. It provides much of the raw material for Florida's large wood products industry, as well as hunting, fishing, camping, and other recreational opportunities for Florida's growing population. Although the area not in farms constitutes a part of the setting within which the low-income-problem area is found, it is only incidentally a part of that problem. Forest products industries have acquired large acreages of land in this area. These industries may provide a market for the lands of low-income farmers who want to move in search of better paid employment.

Table 4.- Number of persons on farms, by age groups, 20 northern and western counties, Florida, 1954

Age	Persons	Percentage of total
	<u>Number</u>	<u>Percent</u>
Under 6-----	11,556	13.8
6 to 9-----	7,371	8.8
10 to 13-----	9,376	11.2
14 to 19-----	10,399	12.5
Total -----	38,702	46.3
20 to 24-----	2,902	3.5
25 to 29-----	2,960	3.6
30 to 34-----	3,858	4.6
35 to 39-----	4,529	5.4
40 to 44-----	5,023	6.0
45 to 49-----	5,401	6.5
Total -----	24,673	29.6
50 to 54-----	3,916	4.7
55 to 59-----	3,279	3.9
60 to 64-----	3,162	3.8
65 to 69-----	3,715	4.4
70 to 74-----	2,843	3.4
75 and over -----	3,220	3.9
Total -----	20,135	24.1
All ages -----	83,510	100.0

Census of Agriculture (6, 1954).

The situation varies greatly from county to county within the area (table 5). In Okaloosa and Santa Rosa Counties, land in farms made up less than 20 percent of the total land area. In Suwannee and Jackson Counties, however, more than 70 percent of the land was in farms.

Table 5.- Total land area and land not in farms, 20 northern and western counties, Florida, 1954

County	Total land area	Land not in farms	Percentage of land not in farms
	<u>Acres</u>	<u>Acres</u>	<u>Percent</u>
Alachua-----	570,880	174,688	30.6
Baker -----	374,400	271,877	72.6
Calhoun-----	356,480	249,258	69.9
Columbia -----	503,040	240,950	47.9
Escambia-----	420,480	263,580	62.7
Gadsden -----	325,120	127,070	39.1
Gilchrist-----	216,960	108,902	50.2
Hamilton-----	328,960	151,771	46.1
Holmes -----	309,120	125,159	40.5
Jackson-----	602,880	170,133	28.2
Jefferson -----	382,720	155,951	40.7
Lafayette -----	347,520	241,538	69.5
Leon -----	438,400	255,511	58.3
Madison -----	449,280	211,781	47.1
Okaloosa-----	604,160	500,356	82.8
Santa Rosa-----	655,360	534,378	81.5
Suwannee -----	433,280	118,432	27.3
Union-----	153,600	53,548	34.9
Walton-----	669,440	532,886	79.6
Washington-----	382,080	204,074	53.4
Total-----	8,524,160	4,691,843	55.0
Florida-----	34,727,680	16,566,005	47.7

Census of Agriculture (6, 1954).

Table 6 provides a breakdown of some of the land area that was not in farms in 1954. It shows acreages in water areas and in urban and built-up areas, as well as the acreage of land owned by the Federal Government. These three categories account for 942,102 acres of the 4.7 million acres of land not in farms. The rest of the land in the 20-county area—over 6 million acres—consists largely of forest land.

The Federal Government owns about three-fourths of a million acres in this area. Two counties, Okaloosa and Walton, which contain military installations, have 52 percent of these federally owned lands. Five of the 20 counties have none.

Table 6. - Acreage of Federal land, urban and built-up, and water areas, 20 counties, northern and western Florida 1/

County	Federal land	Urban and built-up land	Water areas
	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>
Alachua-----	480	12,897	3,464
Baker -----	79,371	631	44
Calhoun-----	---	4,083	635
Columbia -----	78,388	7,627	2,912
Escambia -----	9,750	18,575	52
Gadsden -----	58	8,828	1,667
Gilchrist-----	---	800	1,271
Hamilton-----	15	3,640	2,665
Holmes -----	109	4,487	326
Jackson-----	18,952	11,184	1,540
Jefferson -----	8,183	6,861	1,537
Lafayette -----	---	1,600	3,646
Leon -----	103,557	11,146	3,264
Madison -----	40	15,020	3,036
Okaloosa-----	246,068	4,599	2,940
Santa Rosa -----	70,720	6,596	608
Suwannee -----	---	8,069	1,532
Union-----	1,307	3,565	143
Walton-----	151,446	5,650	837
Washington-----	---	1,636	4,045
Total -----	768,444	137,494	36,164

1/ From unpublished data in the Florida Soil and Water Conservation Needs Report.

Counties with high urban populations have large acreages devoted to residential and business uses. County committees of the "Soil and Water Conservation Needs" inventory estimated that the total acreage needed for these uses would more than double by 1975. The increase will be largely adjacent to cities in which industry, Armed Forces installations, or Government agencies are now located. It will contribute little toward solving the problem of low-income farmers.

Forests occupied almost three-fourths of all land in the 20-county area (table 7). Some of the forested acres are included with "land in farms" by the census. When ranched or grazed, they are frequently included with pasture rather than woodland. The use of land for forest may be an important alternative for the low-income farmer who wishes to stop farming but does not want to dispose of his land. Most of the forest land was under Federal, State, or private ownership.

Table 7. — Total forest land: Acreage and percentage of land area, 20 counties, northern and western Florida

County	Approximate total area	Forest land	
		Acreage	Percentage of total area
	<u>Acres</u>	<u>Acres</u>	<u>Percent</u>
Alachua-----	570,880	369,760	65
Baker -----	374,400	276,043	74
Calhoun-----	356,480	328,054	92
Columbia -----	503,040	314,847	63
Escambia -----	420,480	348,272	83
Gadsden -----	325,120	227,720	70
Gilchrist-----	216,960	148,540	68
Hamilton-----	328,960	266,412	81
Holmes -----	309,120	223,255	72
Jackson-----	602,880	336,067	56
Jefferson -----	382,720	284,597	74
Lafayette -----	347,520	289,780	83
Leon -----	438,400	229,987	52
Madison -----	449,280	303,280	67
Okaloosa-----	604,160	249,698	41
Santa Rosa -----	655,360	397,420	61
Suwannee -----	433,280	252,098	58
Union-----	153,600	126,613	82
Walton-----	669,440	443,896	66
Washington-----	382,080	306,360	80
Total -----	8,524,160	6,022,699	71

Census of Agriculture (6, 1954).

The relative acreages of forest land varied widely among counties in the area. In Calhoun County, 92 percent of the land was in forest, while in Okaloosa County, only 41 percent was forested. In general, the well-settled farming areas had less forest land than other areas. Although data are lacking, it seems logical to assume that at present the forest resources on low-income farms are not very valuable. Potentially, however, they are as valuable as those on any other lands in the areas.

According to the 1954 Census of Agriculture, the 20-county area had 3,862,317 acres, or 45 percent of its total land area, in farms. This average accounted for 21 percent of the total acreage in the State.

Table 8 shows the division of the 3,862,317 acres of land in commercial and other farms. Acreages are shown also by economic class of farm. About 1.4 million

Table 8. - Acreage of land by type of farm and other land use and by economic classes, 20-county area, northern and western Florida, 1954

Type of farm	Land in farms	Cropland	Pasture- land	Woodland	Other land
	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>	<u>Acres</u>
<u>Commercial farms</u>					
Class I, II, III-----	1,754,588	617,086	626,805	460,451	50,245
Class IV, V, VI -----	1,430,370	583,006	534,420	267,069	45,874
Total-----	3,184,958	1,200,092	1,161,225	727,520	96,119
<u>Other farms</u>					
Part-time-----	361,746	112,522	164,172	71,686	13,365
Residential-----	315,613	98,655	97,690	99,688	19,579
Total-----	677,359	211,177	261,862	171,374	32,944
Total all farms --	3,862,317	1,411,269	1,423,087	898,894	129,063

Census of Agriculture (6, 1954).

acres were on farms in economic classes IV, V, and VI. Much of this land must be considered to be within the framework of adjustments on low-income farms. Part-time and residential farms contain about 677,000 acres of the land in farms. A considerable acreage of these lands are also associated with low-income farms on which adjustments are needed.

Among the low-income commercial and the part-time and residential farms, there were 794,183 acres of cleared cropland, 796,282 acres of partially cleared pasture land, and 438,443 acres of woodland.

Half of the low-income commercial farmers were on farms of less than 100 acres. One-fourth were on farms of between 100 and 179 acres, and the remaining fourth were on farms of 180 acres or more. Therefore, if half of the low-income commercial farmers were to leave their farms, they would not release more than about 250,000 acres for use by the remaining farmers.

Fifty-seven percent of the higher income commercial farmers (economic classes I, II, and III) were on farms of 260 acres or more (table 9). About 16 percent were on farms of 1,000 acres or more. Only 12 percent of the farms in economic classes IV, V, and VI contained 260 acres or more and only 1 percent contained 1,000 acres or more.

Table 9. - Percentage of commercial farms, by size groups and economic class, northern and western Florida, 1954

Size of farm	Percentage of farms in -	
	Economic classes I, II, III	Economic classes IV, V, VI
	<u>Percent</u>	<u>Percent</u>
Under 10 acres-----	1	2
10 to 20 acres-----	4	6
30 to 49 acres-----	2	14
50 to 69 acres-----	2	11
70 to 99 acres-----	6	17
100 to 139 acres-----	8	15
140 to 179 acres-----	8	11
180 to 219 acres-----	7	8
220 to 259 acres-----	5	4
260 to 499 acres-----	24	8
500 to 999 acres-----	17	3
1,000 acres and over-----	16	1

Census of Agriculture (6, 1954).

### Land Values

Land values will play an important part in the adjustment opportunities of low-income farmers. They will affect the ability of those who remain in farming to acquire more land. For those who want to sell their farms and move into nonfarm jobs, these values will affect the amounts of money they will have available for such adjustments.

Currently, Florida is in the midst of a period of rapidly rising land values (fig. 2). This boom is unprecedented in the history of the State. By comparison, the famous boom of the midtwenties was scarcely discernible. To a very high degree, this is a speculative boom in which improved agricultural prospects play a minor role. It is based largely on prospects for industrial development and the estimated needs of a rapidly growing population. People are entering the State both to work and to retire.

In table 10, the average land value per acre and the index of change on a 1950 base are shown for each census period since 1940. Values vary greatly from county to county. Generally, they are highest in counties where urban development is rapid, as in Escambia, Santa Rosa, and Alachua Counties. They are lowest in highly rural counties, such as Gilchrist and Lafayette.

Based on survey data, the aggregate value of farm real estate in the study area in 1956 was about \$207 million. The value of the real estate used by low-income commercial farmers and by part-time and residential farmers was about \$113.5 million (table 11). The average low-income commercial farmer who owned his farm

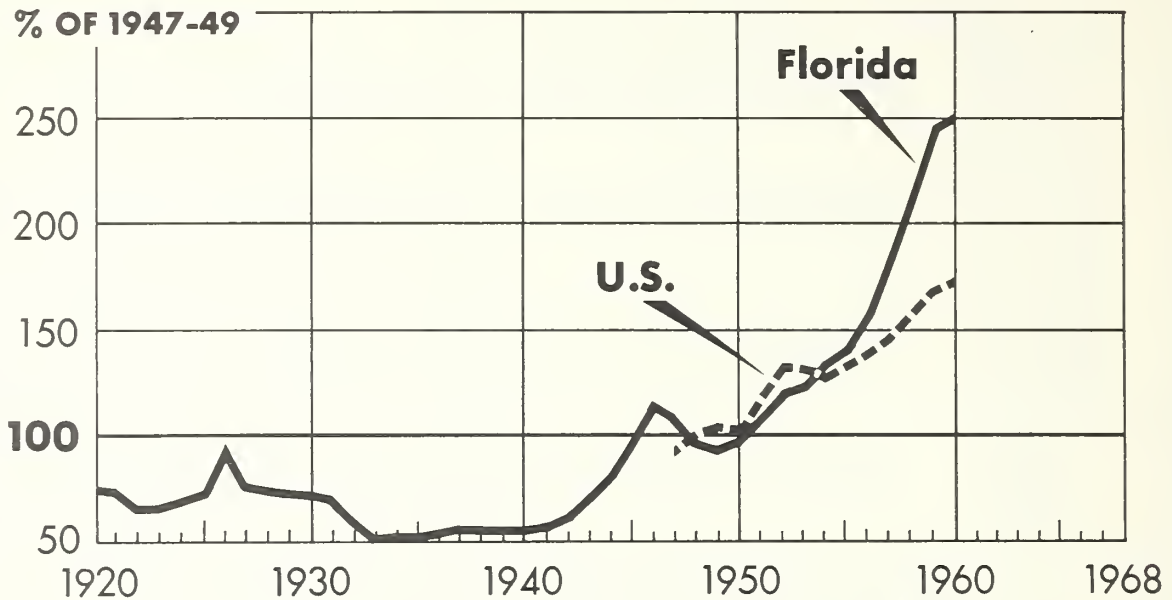
Table 10.— Value of land per acre and index of value changes, 20 low-income counties, northern and western Florida, 1940 to 1954

District and county	Land value per acre				Index (1950 = 100)				1960 value estimate
	1940	1945	1950	1954	1940	1945	1950	1954	
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	
<u>Northwestern Florida</u>									
Calhoun	16.35	24.76	42.02	68.55	39	59	100	163	83
Escambia	38.17	50.25	63.60	100.55	60	79	100	158	159
Gadsden	27.63	39.44	47.27	83.05	58	83	100	176	136
Holmes	20.73	22.42	27.81	45.43	75	81	100	163	66
Jackson	18.52	26.99	33.14	55.34	56	81	100	167	106
Jefferson	18.45	26.10	36.45	49.51	51	72	100	136	76
Leon	25.65	25.99	61.29	110.30	42	42	100	180	136
Okaloosa	19.53	23.03	42.01	54.93	46	55	100	131	103
Santa Rosa	28.79	32.90	66.32	91.00	43	50	100	137	171
Walton	16.87	16.79	26.37	43.49	64	64	100	165	70
Washington	14.70	23.43	31.86	34.83	46	74	100	109	79
Average	---	---	---	---	---	---	---	---	108
<u>Northeastern Florida</u>									
Alachua	20.92	27.03	53.88	64.79	39	50	100	120	150
Baker	20.29	24.69	33.40	48.67	61	74	100	146	105
Columbia	14.35	18.26	34.34	47.29	42	53	100	138	94
Gilchrist	10.40	11.06	19.76	40.51	53	56	100	205	97
Hamilton	13.82	18.84	30.35	58.89	46	62	100	194	88
Lafayette	12.72	13.80	24.87	53.59	51	55	100	215	68
Madison	15.49	17.78	29.02	50.34	53	61	100	173	88
Suwannee	13.73	16.98	28.16	43.96	49	60	100	156	84
Union	15.44	16.90	36.00	49.96	43	47	100	139	92
Average	---	---	---	---	---	---	---	---	96
Average 20 counties	---	---	---	---	---	---	---	---	102

Censuses of Agriculture (6, 1940-54).

# VALUE OF FARM REAL ESTATE, FLORIDA

## Land and Buildings Per Acre



1920-41 AS OF MAR. 1; 1942-60 AS OF MAR. 1, JULY 1 AND NOV. 1

U. S. DEPARTMENT OF AGRICULTURE

NEG. ERS 334-61 (8) ECONOMIC RESEARCH SERVICE

Figure 2

Table 11. - Value of farm real estate on low- and high-income farms, study area, northern and western Florida, 1956

Income class	Value of farm real estate	Average per farm
	<u>Dollars</u>	<u>Dollars</u>
Commercial farms:		
Low - economic classes IV, V, VI -----	76,509,736	8,757
High - economic classes I, II, III -----	93,369,473	36,958
Residential and part-time -----	37,039,732	4,570
Total -----	206,918,941	10,683

debt free could have sold it for enough to buy a home in most urban centers. On the other hand, the real estate values of the higher income farms were four times those of the low-income group. This could be discouraging to one considering a larger farming operation as a solution of his low-income difficulties.

### Capital and Capital Goods

Some of the capital goods farmers use, such as tractors and farm machinery, can be moved for use in other places. Others, such as farm buildings, are immobile and must be used in place or not at all. A change in type of use is sometimes possible, but such opportunities are often limited. It is because of this immobility that buildings are generally classed with the land on which they are built.

Farmers' investments in their movable capital, as well as in land, can be liquidated through sale and used as a resource for adjustments in their occupation.

In 1956, the total value of land and buildings, livestock, and machinery and equipment on all farms in the study area was \$265.5 million. Of this, \$206.9 million, or 78 percent, was in the value of the land. The rest was about equally divided between livestock and machinery (table 12).

Table 12.- Value of land and buildings, livestock, and machinery and equipment on farms, by counties, study area, northern and western Florida, 1956

County	Land and buildings	Livestock	Machinery and equipment	Total
	Dollars	Dollars	Dollars	Dollars
Alachua -----	14,784,080	1,563,864	2,316,077	18,664,021
Baker-----	2,342,514	207,602	470,338	3,020,454
Calhoun-----	2,845,734	431,830	432,053	3,709,617
Columbia -----	17,092,807	3,202,103	1,930,293	22,225,203
Escambia -----	12,803,842	1,328,138	1,839,763	15,971,743
Gadsden-----	17,439,727	2,125,018	2,183,454	21,748,199
Gilchrist-----	3,709,599	340,288	364,289	4,414,176
Hamilton-----	8,493,736	421,669	1,266,839	10,182,244
Holmes -----	9,356,093	1,136,670	1,411,737	11,904,500
Jackson-----	21,084,505	3,415,252	3,177,416	27,677,173
Jefferson-----	4,062,986	380,139	295,241	4,738,366
Lafayette-----	4,610,847	1,376,522	1,178,456	7,165,825
Leon-----	15,118,473	4,237,259	1,777,739	21,133,471
Madison-----	10,640,161	1,068,212	1,517,905	13,226,278
Okaloosa -----	5,233,779	2,883,885	1,435,774	9,553,438
Santa Rosa -----	10,915,531	861,478	1,920,793	13,697,802
Suwannee-----	29,068,435	3,074,937	2,551,235	34,694,607
Union-----	1,162,984	205,919	591,733	1,960,636
Walton-----	11,070,812	1,064,614	1,468,401	13,603,827
Washington-----	5,082,296	552,865	575,720	6,210,881
Total-----	206,918,941	29,878,264	28,705,256	265,502,461

Census of Agriculture (6, 1954).

The value of livestock and machinery and equipment used on low-income and other commercial farms and on residential and part-time farms is shown in table 13. In the aggregate, low-income farms had about \$21 million worth of machinery and livestock, giving them a total value of land and nonland capital resources of about \$100 million.

The low-income farms had an average value of land and nonland capital goods of \$11,361, which was made up of \$8,757 in land, \$1,049 in livestock, and \$1,555 in machinery and equipment. Operators of the higher income farms had land and nonland resources worth \$48,974, or more than four times as much as those of the low-income farms. This suggests the difficulties that operators of low-income farms face in trying to build up the size of business. On the other hand, the average low-income farmer who owns debt free all of the farm resources he uses has a net worth equal to or exceeding that of the average urban dweller. For him, therefore, the lack of enough capital with which to move is not a crucial impediment to moving into nonfarm employment.

Table 13. - Total value of livestock and machinery and equipment on farms, by income classes, study area, northern and western Florida, 1956

Income class	Total value		Average value per farm	
	Livestock	Machinery and equipment	Livestock	Machinery and equipment
	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>	<u>Dollars</u>
Commercial farms:				
Low - economic classes IV, V, VI-	8,815,351	12,240,736	1,049	1,555
High - economic classes I, II, III -	18,423,404	13,592,257	6,635	5,381
Residential and part-time -----	2,639,509	2,872,263	342	426
Total -----	29,878,264	28,705,256	1,404	1,482

Census of Agriculture (6, 1954).

## ALTERNATIVE OPPORTUNITIES IN USE OF RESOURCES

### Labor

All it takes to earn a net income of \$3,000 a year at nonfarm employment is a permanent 40-hour a week job that pays about \$1.43 an hour. This was the average wage rate for all nonfarm employment reported in the 1956 enumerative survey in the 20-county area. The workers needed to make no large capital outlays nor did they need to plow back into the business any of the income they received. The only major

economic risk was that pertaining to the permanency of the employment. Getting started at nonfarm work involves personal characteristics and training rather than control of land, capital, and credit. The worker's economic growth is limited chiefly by his own characteristics and ability.

The requirements for income of the same size in agriculture are much greater. In addition to needed personal characteristics and training, one must control considerable land and capital. The average value of farm real estate, livestock, and machinery and equipment on the farms in the study area that had net incomes of around \$3,000 amounted to more than \$31,000 per farm. This was made up of almost \$25,000 in land, \$3,000 in livestock, and \$3,700 in machinery and equipment. To acquire ownership of this amount of capital is probably beyond the reach of most low-income farmers.

Returns per hour of labor were much lower in agriculture than in nonfarm employment (table 14). It would take the earnings from 4 hours of labor by a farm operator to equal the hourly earning of \$1.43 received in nonfarm employment.

There is considerable evidence that the low-income farmers in northern and western Florida do not fully utilize their labor in their farming operations. The average farm in the study area had a size of operation that provided work equivalent to 165 man workdays or man-work units. In a 2,000-hour work year, there would be a 200 work-unit equivalent. This means that even if all of the farmwork were performed by farm operators without the help of other family workers and hired labor, the farm operators would be only about 82 percent employed in their farming operations. They could expand the size of their business considerably without requiring extra labor except perhaps for short periods during peakloads. This underemployment cuts into their business income unless they can find other work to fill out the labor year.

One way to make fuller use of labor is to combine farming and nonfarm employment, commonly referred to as part-time farming. If these two types of employment could truly supplement each other, this would help to solve the low-income problem. In most crop-producing areas, however, there are seasonal conflicts between farming and nonfarm employment. If nonfarm wages are high enough, farmers often resolve conflicts by reducing or eliminating their farming operations. Part-time farming is continued (1) when farm operations are slack and short-term jobs are available, (2) when adequate family labor is available to do most of the work without the operator's help, and, (3) when the operator is willing to put in long hours during the week and full weekends. Since none of these conditions are likely to persist for long, part-time farming is a transitional phase in low-income adjustment.

The availability of nonfarm employment for low-income farm people does not mean necessarily that the jobs must be in their own or a nearby community. But if communities expect to keep the number of people they now have, they will need to provide job opportunities. To do this, new industries must be brought into many localities to provide the necessary jobs. Usually, this requires group action on the part of the people in the area.

Table 14. - Farm operators reporting farm and nonfarm employment, study area, northern and western Florida, 1956

Item	Unit	Farm operator	Work on other farms	Nonfarm employment
Persons 14 years and older reporting work -----	Number	534	270	566
Total cash income -----	Dollar	241,705	102,193	1,065,488
Total hours of work -----	Hour	688,976	151,200	747,120
Return per hour -----	Dollar	.35	.68	1.43

### Land

Land in this area should be put to its most profitable use. Individual farmers can choose among (1) continuing present land use, (2) devoting more land to pasture for livestock production, or (3) using more land for production of forest products. Each of these alternatives has its advantage under particular circumstances.

In 1956, the average return from farming was very low (table 15). In fact, the earnings of land, capital, and labor combined—\$5.19 per acre for all farms—would be wiped out if interest at 5 percent and taxes were charged. This would leave nothing for either nonland capital or labor. Even if all of the farm income were attributed to cropland and pasture, the return would be only \$8.64 per acre. This would allow only \$0.35 per hour for the operator's labor if none of this income were credited to the use of land.

For the average low-income farmer, such low returns from land provide little incentive for increasing size of farm as a means of increasing income. Only the unusual individual who is capable of handling a large unit efficiently could hope to succeed. Low-income farm people are likely to find their best adjustment opportunities in nonfarm employment of kinds that will lead them to curtail the amount of land they farm. With the price of farmland bearing little relation to its agricultural value, larger operators have little incentive to take up the land vacated by those low-income farmers who move into nonfarm work.

Generally speaking, the low-income farmer is not favorably situated to shift to ranching as a way of increasing his income. Successful ranch operations require more land than the average low-income operator owns. The capital needed to become established in such operations is also beyond the reach of most low-income farmers. Under favorable conditions of organization, cattle ranching is a possibility for the use of land in the area, but it is unlikely that many such units will be developed on land abandoned by low-income farmers. Such lands are too scattered to permit easy consolidation. Furthermore, high land prices militate against such adjustments.

Table 15.- Farm income, by economic class and by number of acres operated, northern and western Florida, 1956

Economic class	Farms	Acreage operated per farm	Farm income -	
			Per farm <u>1/</u>	Per acre <u>2/</u>
	Number	Acres	Dollars	Dollars
All farms-----	356	150	778	5.19
Residential -----	91	42	180	4.29
Part-time class VI ---	63	77	325	4.22
Class VI-----	36	99	240	2.42
Part-time class V ----	20	140	218	1.56
Class V-----	32	165	721	4.37
Class IV-----	66	183	1,221	6.67
Class III-----	29	290	1,205	4.16
Class II -----	16	740	2,169	2.93
Class I-----	3	480	18,760	39.08

1/ Includes value of living from the farm (perquisites) and excludes farm depreciation and net effect of changes in inventory. Depreciation on house and automobile not taken out.

2/ These returns include payment for operator's labor and interest on own capital as well as return to land.

This leaves increased emphasis on forestry as a land use alternative. Forestry, however, has less possibility than ranching as a sole means of livelihood for low-income people. Here, land is the major resource needed. Labor and capital inputs are relatively small. It would take several times as much land as the average low-income farmer now utilizes to receive a net income of \$3,000 a year from forestry.

However, forestry has some advantages for residential and part-time farmers and for those who move away from the farm but retain ownership of the land. It requires less constant management and labor than farming. Guidance and help are available from public sources for forestry operations, including seed stock at cost, fire protection, and advice as to management.

In northern and western Florida, returns to land from a reasonably well-located and well-managed forestry operation compare favorably with those obtainable from farming. According to studies made, average annual growth rates of up to two cords can be easily obtained under favorable site locations (4; 1). Under these conditions, land returns in 1954 were \$2.51 per acre after taxes and incidental expenses. With land at \$50 an acre, this would be a 5-percent return.

The low-income farm owner who has decided to take nonfarm employment is often perplexed about what to do with his farm. If he needs the money to become established in another occupation, he may be obliged to sell his farm. But even if he has a choice, he will have some difficult decisions to make. From a purely investment standpoint, he would sell the land if the price offered were greater than the capitalized value of the average annual returns to the land. Another consideration, however, is more difficult to assess. Except in periods of deep depression, land values in Florida have increased. Since the close of World War II, this trend has been greatly

accelerated. Throughout much of the State, the site and speculative values have exceeded the productive value of land for agriculture. Because they expect this trend to continue, some persons are reluctant to sell. Under such conditions, forestry is the most productive land use.

### Capital

Since "liquid" capital has an almost unlimited number of alternatives, the only type of capital with which this report is concerned is the "sunk" capital of farming. This capital is chiefly in the form of farm buildings (including dwelling), fences, and farm machinery.

If farming is abandoned in favor of nonfarm employment, the possibility of recovering the sunk capital varies with the situation. If farm operations are discontinued, the capital invested in farm buildings is likely to be lost. If the farm family continues to live in the house, this part of the capital may be consumed only slowly. Fences also would cease to serve part of their purpose and would become largely lost capital. Machinery might be sold either for use or for scrap with at least part of the investment recovered.

As low-income people make adjustments to better their incomes, it is likely that they will lose considerable sunk capital. But since low-income farms are generally equipped with poor buildings and old machinery, the aggregate of such losses will be small.

### Community Problems

When many low-income people leave a community or quit farming for another occupation nearby, the effects are felt throughout the community. In particular, local trading establishments are adversely affected.

It is partly because of this adverse effect that local communities are loath to see their population move outside the area to better opportunities elsewhere. This is why many communities provide land and buildings and other inducements to attract industries to their areas to provide employment for their residents.

Many northern and western Florida communities are handicapped in the recruiting of industry because their resources for industrial production are limited. But one resource that is common to most of the area has received too little attention. This is its mild climate. Although the climate is not as warm and, to some people, not as desirable as that of southern Florida, it is nevertheless far milder than most of the United States. This could be an important consideration for thousands of older people who have retired or are about to retire on Social Security or some other type of retirement income. Attracting such people is now a largely unexploited opportunity of the northern Florida areas.

Attracting retirement families could help to solve the low-income problems of the area's present rural population. Social Security income compares favorably with the average per capita income now received by people in these areas. With hundreds of new families spending money for groceries, hardware, gasoline, clothing, various services, and so on, many new jobs for younger people already in the community could be created.

Properly located and planned housing developments would attract retirement families and could bring in many families who now hesitate to leave their northern communities. Local communities might find it profitable to support such developments by making full utilization of present homestead tax exemption laws and through aid in developing building sites and utilities. Such possibilities, however, need careful study before any move is made to adopt them.

A second underdeveloped resource of the area is its recreational possibilities. Excellent fishing is to be had in the area's many streams and rivers. The large acreages of forested and marsh lands provide excellent hunting opportunities. Beautiful campsites are scattered throughout the area. A considerable number of Florida's tourist visitors now hurry through this area to recreational areas farther south. If better facilities were available, many might stop to enjoy the area's advantages. As Florida's population increases, the need for recreational areas will become greater. Such areas in northern and western Florida can help to meet this need.

Development of the area's recreational facilities need not be done wholly by the State, county and local governments. Private business enterprises have many opportunities to assist in such developments by providing well-located and efficiently operated fishing camps, motels, guide services, and other such enterprises. These, in turn, can provide jobs for some of the area's people who otherwise must seek jobs elsewhere. Further development of hunting and fishing resources in conjunction with large-scale commercial forestry operations holds some promise.

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